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February 24, 1994

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20054

Re: Competitive Bidding - PP Dkt. No. 93-253

Dear Mr. Caton:

This is to confirm pursuant to Section 1.1206 of the Commission's Rules that Douglas Jones and Dean LeDour of American Paging, Inc., and I met with Brian Fontes, Special Assistant to Commissioner James H. Quello, Byron Marchant, Legal Advisor to Commissioner Andrew C. Barrett, Dianne Cornell, Legal Advisor to Chairman Reed E. Hundt, Donald Gips, Gregory L. Rosston, Karen M. Wrege and Kent Y. Nakamura, Office of Plans and Policy, and David Siddell, Chief, Frequency Allocation Branch, Office of Engineering and Technology. The topics of discussion included positions previously presented in the Comments and Reply Comments of American Paging, Inc. in the above-referenced docket and the attached materials.

An original and one copy of this letter with attachments are submitted herewith. Copies of this letter and the attachments are being provided to the Commission staff members involved.

In the event there are any questions concerning this matter, please communicate with the undersigned.

Very truly yours,


George Y. Wheeler

Enclosure

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American Paging, Inc.
Statement of Position
Regarding
PCS Competitive Bidding

The position of American Paging, Inc. (API) regarding the competitive bidding rules being adopted for narrowband PCS auctions is outlined below. API is a provider of paging and one way messaging services throughout the nation.

API's position on the auction format has previously been presented in the record of the competitive bidding rulemaking. API and our parent company, Telephone and Data Systems (TDS) support an open, ascending bidding process with all functionally similar channels auctioned simultaneously in the same geographic area in descending order from most populated areas to least, with all channel blocks auctioned in a given geographic area prior to proceeding.

Need for Open Ascending Sequential/Simultaneous Bidding for PCS Licenses

- a. Information Flows from Open Bidding are crucial for mid-sized and smaller companies.
- b. Conceptually simple auctioneer-led real-time bidding should be adopted to be readily understandable to all potential bidders.
- c. Auction Sequencing with the largest markets first recognizes the importance in developing the bidding strategies of mid-sized and smaller bidders of the valuations and identities of the winning bidders in large markets.
- d. Limiting the number of licenses auctioned at one time and taking no more than one or two days to complete the selection of winning bidders will foster predictable schedules for bidding on specific licenses and avoid information overload

The chart below illustrates API's recommendations regarding the grouping of channels and the order in which they are auctioned. The groupings are listed in descending order, with the channels at the top of the list being auctioned first.

Order of Auctions	Geographic Concentration	Order of Channel Blocks to be bid Simultaneously
First	Nationwide	Five 50 kHz/50 Khz Paired Three 50 kHz/12.5 kHz Paired Three 50 kHz Unpaired
	Regional (Most populated to least)	Two 50 kHz/50 kHz Paired Four 50 kHz/12.5 kHz Paired
	MTA (Most populated to least)	Two 50 kHz/50 kHz Paired Three 50 kHz/12.5 kHz Paired Two 50 kHz Unpaired Four 12.5 kHz Unpaired
Last	BTA (in MTA groupings) (Most populated to least)	Two 50 kHz/12.5 kHz Paired Four 12.5 kHz Unpaired

It is our belief that identifying the specific frequency allocations to the channels prior to the auction would be in the best interest of the bidding entities, since the assigned frequency blocks do have different valuations when considering aggregations and therefore possesses a higher implied value to a company. If the frequencies are assigned after the auction, there is an inherent risk that spectrum use would not be maximized if a company desires to aggregate channel blocks in sequential frequency assignments. Identifying these assignments prior to the auctions will ensure spectrum usage is maximized.

Regarding combinatorial bidding API supports this format only in the 12.5 kHz unpaired narrowband channels. Since these channels are intended for use with existing paging systems, and since a majority of paging systems are of regional scope or better the 12.5 kHz channels are

of value to many paging companies only if aggregated in larger than MTA markets. There would be virtually no benefit to a paging company with a regional system if the 12.5 kHz channel is not awarded on contiguous basis throughout their current coverage areas. Allowing combinatorial bidding on these channels would allow a company to bid on a channel block that provides them the most benefit. Due to their intended use being associated with an existing paging system and the fact that all other channel allocations are intended for "new services" allowing combinatorial bidding on these channels is warranted.